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 Attorneys for Claimant Williams-Sonoma, Inc.

UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
 SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,	)	NO. 14-CV-4435 VC
	)	
PLAINTIFF,	)	
	)	
v.	)	SETTLEMENT AGREEMENT
	)	AND ORDER
APPROXIMATELY \$572,530.46 IN FUNDS	)	
SEIZED FROM BANCO POPULAR NORTH	)	
AMERICA ACCOUNT #6808852229,	)	
	)	
DEFENDANT.	)	
	)	
WILLIAMS-SONOMA, INC.,	)	
	)	
CLAIMANT.	)	

1 The parties agree, subject to the Court's approval, to settle this action as follows:

2 1. Plaintiff is the United States. Defendant is \$572,530.46. Claimant Williams-Sonoma, Inc., is  
3 the only party to have filed a timely claim and answer in order to appear and defend defendant  
4 \$572,530.46. The United States and claimant Williams-Sonoma are referred to as the "Parties" in this  
5 document which is referred to as the "Settlement Agreement" or "Agreement."

6 2. After full and open discussion, the Parties have agreed to resolve any and all claims asserted  
7 against defendant \$572,530.46 to avoid continued and protracted litigation. The Parties also agree that  
8 this Agreement resolves any and all claims which have, or could have, been asserted against the United  
9 States and the United States Secret Service, including any of their past or present officials, employees,  
10 agents, attorneys, their successors and assigns involved in the seizure giving rise to this action. The  
11 Parties further agree that the resolution of their claims is based solely on the terms stated in this  
12 Settlement Agreement. It is expressly understood that this Agreement has been freely and voluntarily  
13 entered into by the Parties, and that there are no express or implied terms or conditions of settlement,  
14 whether oral or written, other than those set forth in this Agreement. This Agreement shall not be  
15 modified or supplemented except in writing signed by the Parties. The Parties have entered into this  
16 Agreement in lieu of prolonged litigation and District Court adjudication.

17 3. As alleged in the Complaint for Forfeiture, claimant Williams-Sonoma attempted to pay one  
18 of its vendors, RR Donnelly, approximately \$1,410,455.33 for goods and services it had purchased.  
19 Fraudsters posing as RR Donnelly without authorization caused the \$1,140,455.33 to be diverted to a  
20 number of the fraudsters' bank accounts, including the one from which the United States Secret Service  
21 later seized defendant \$572,530.46. Williams-Sonoma was able to recover \$132,120.50 of its  
22 \$1,140,455.33 loss through its bank, Bank of America, but was unable to recover the remainder of its  
23 loss. Subsequently, claimant Williams-Sonoma paid the approximately \$1,410,455.33 it owed to RR  
24 Donnelly and presented evidence to show the United States that it paid that amount. Thus, a material

1 fact for the United States entering this agreement is that claimant Williams-Sonoma has suffered a loss  
2 from the fraud of \$1,410,455.33 less the \$132,120.50 it recovered from Bank of America.

3 4. The United States filed this instant judicial action because the funds in the account which  
4 later became defendant in this lawsuit exceeded \$500,000. In addition to defendant \$572,530.46,  
5 however, the United States Secret Service seized proceeds of the same fraud from two of the fraudsters  
6 other bank accounts; those seized funds were administratively forfeited; Williams-Sonoma filed a  
7 petition for remission of the administratively forfeited funds; and the United States Secret Service  
8 granted the Williams-Sonoma petition with the result that approximately \$446,277.36 has been or will  
9 be returned to Williams-Sonoma. A material fact for the United States in entering into this agreement is  
10 that claimant has no other means of recovering the amount of its outstanding loss and that together the  
11 amount remitted from the administrative forfeiture and defendant in this case will not exceed the loss to  
12 Williams-Sonoma of the fraud which was \$1,410,455.33 less the \$132,120.50 it recovered from Bank of  
13 America.

14 5. This Settlement Agreement is expressly understood by the Parties not to be an adjudication  
15 of the merits of any factual or legal issue involving claims which were brought. The Parties further  
16 agree that defendant \$572,530.46 will be returned to claimant Williams-Sonoma with interest accrued,  
17 calculated pursuant to 28 U.S.C. § 1961, from the date on which the seizure occurred, on or about May  
18 19, 2014. The \$572,530.46 plus the accrued interest will be paid by wire transfer to the account  
19 designated by claimant on an ACH form, provided that claimant Williams-Sonoma first provides both a  
20 properly filled out ACH form and a properly filled out W9 form to the undersigned Assistant United  
21 States Attorney. The Assistant United States Attorney will provide the appropriate forms.

22 6. Payment of defendant \$572,530.46 to claimant Williams-Sonoma shall be in full settlement  
23 and complete satisfaction of any and all claims which claimant, its heirs, representatives and assignees  
24 made or could have made in this case. Further, claimant Williams-Sonoma releases and discharges the  
25 United States and the United States Secret Service, as well as their past and present officials, employees,

agents, attorneys, successors and assigns, from any and all claims which have been made, or could have been made, in this case.

7. Claimant Williams-Sonoma agrees to indemnify and hold harmless the United States and the United States Secret Service, as well as their past and present officials, employees, agents, attorneys, successors and assigns, for any and all claims pertaining to defendant \$572,530.46, including but not limited to those arising out of the seizure of defendant \$572,530.46, or the allegations in the civil complaint for forfeiture in this action.

8. Each party agrees to bear its or his own attorney's fees and costs related to this action.

9. The Parties agree that, should any dispute arise with respect to the implementation of this Settlement Agreement, no party shall seek to rescind the Agreement but can apply to the Court, if necessary, for enforcement of the Agreement. The Parties agree that the Court retains jurisdiction for the purpose of enforcing this Settlement Agreement. In any such enforcement proceeding, however, each Party agrees to bear its own attorney's fees and costs.

IT IS SO STIPULATED:

Dated: February 18, 2015

MELINDA HAAG  
United States Attorney

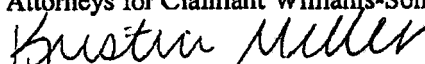
  
PATRICIA J. KENNEY  
Assistant United States Attorney

Dated: February 18, 2015


ROGERS JOSEPH O'DONNELL

  
DEAN D. PAIK  
Attorneys for Claimant Williams-Sonoma, Inc.

Dated: February 17, 2015

  
KRISTIN MILLER, CONTROLLER  
Claimant Williams-Sonoma, Inc.

IT IS SO ORDERED ON THIS 19<sup>th</sup> DAY OF FEBRUARY, 2015.

  
HONORABLE VINCE CHHABRIA  
United States District Judge

SETTLEMENT AGREEMENT  
NO. 14-CV-4435 VC